

Message Text

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ORIGIN XMB-04

INFO OCT-01 EA-10 ISO-00 OES-05 ERDA-07 EB-07 COME-00

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EA/ROC: KJWEAVER

EB/IFD/ODF: RASWART

XMB: WWGLICK

----- 116790

R 091635Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY TAIPEI

UNCLAS STATE 160988

E.O. 11652: N/A

TAGS: EFIN, ETRD, TW

SUBJECT: EXIMBANK FINANCING FOR U.S. DOLLAR COST OVERRUN FOR NUCLEAR
POWER UNITS NUMBERS 3 AND 4

1. ON JULY 3, EXIM SENT THE FOLLOWING CABLE TO THE MINISTRY OF
FINANCE IN TAIPEI:

QUOTE: IN ACCORDANCE WITH THE OPERATING AGREEMENT THIS IS TO INFORM
YOU THAT EXIMBANK ON JUNE 30, 1975, AUTHORIZED A LOAN/GUARANTEE TO
TAIWAN POWER COMPANY TO ASSIST IN FINANCING U.S. DOLLAR COST OVERRUN
FOR NUCLEAR POWER UNITS NUMBERS 3 AND 4. TERMS CALL FOR A CASH PAY-
MENT OF \$12,000,000 OR 20 PERCENT OF U.S. DOLLAR COSTS, AND EXIMBANK
DIRECT CREDIT OF \$24,000,000 OR 40 PERCENT AND A GUARANTEE OF
COMMERCIAL CREDITS FOR \$12,000,000 OR 20 PERCENT AND OTHER FINANCING
OF \$12,000,000 OR 20 PERCENT NOT GUARANTEED BY EXIMBANK. THE LOAN
AND GUARANTEE WOULD BE GUARANTEED BY THE GOVERNMENT OF CHINA.
REPAYMENT WOULD BE IN 30 EQUAL SEMIANNUAL INSTALLMENTS BEGINNING
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NOVEMBER 15, 1979, ON THE SAME SCHEDULE OF REPAYMENT AS FOR THE

PLANT EQUIPMENT ON UNIT NUMBER 4. THE NON-GUARANTEED FINANCING WOULD BE REPAYED IN THE FIRST 7 1/2 INSTALLMENTS, THE GUARANTEED FINANCING IN THE NEXT 7 1/2 INSTALLMENTS AND EXIMBANK IN THE LAST 15 INSTALLMENTS. THE INTEREST ON EXIMBANK'S CREDIT WILL BE AT THE RATE OF 8 1/2 PERCENT PER ANNUM AND THERE WILL BE A COMMITMENT FEE OF 1/2 OF 1 PERCENT PER ANNUM. THE EXIMBANK GUARANTEE FEE WILL BE 1 PERCENT PER ANNUM WITH A COMMITMENT FEE OF 1/8 OF 1 PERCENT PER ANNUM. WE ASK YOUR CONCURRENCE. UNQUOTE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, NUCLEAR POWER PLANTS
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Copy: SINGLE
Draft Date: 09 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: XMB: DBSMITH:LLS
Enclosure: n/a
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To: TAIPEI
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